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IN THE

Supreme Court of the United States

OCTOBER TERM, 1947

No. 809

GENERAL TIME INSTRUMENTS CORPORATION,

Petitioner,

vs.

THE UNITED STATES TIME CORPORATION,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION

Opinions below

The findings of fact and opinion of the United States District Court for the District of Connecticut (R., pp. 75-81) are not reported. The opinion of the Circuit Court of Appeals for the Second Circuit (R., p. 114) is reported in 165 F. 2d 853.

Jurisdiction

Petitioner invokes the jurisdiction of this Court under Section 240(a) of the Judicial Code, as amended by the Act of February 13, 1925, c. 229 (28 USCA § 347).

The judgment of the Court of Appeals for the Second Circuit which petitioner seeks to have reviewed, was entered January 15, 1948 (R., p. 121) and its petition for rehearing was denied February 19, 1948 (R., p. 131).

Questions Presented

1. Does respondent unfairly compete where its clock, conspicuously showing its well known trade name and corporate monogram, uses certain unpatented features similar to, but other features unlike, the corresponding features of petitioner's earlier clock, and where there was no "palming off" and neither confusion or deception nor any inference thereof?

2. Does proof of sales and of advertising, without more, give to a design patented by petitioner, but held invalid over the prior art, a "secondary meaning" so as to entitle petitioner to maintain a monopoly on that design?

Statement

In 1939 petitioner adopted and still markets the clock here in issue (R., pp. 75-76, Fdgs. 4, 5). Toward the "close of the war" respondent introduced the accused clock (R., p. 77, Fdg. 9).

The uncontested findings of the District Court with respect to the similarities and dissimilarities between these models may be summarized as follows:

	Petitioner's Clock	*Respondent's Clock*
The Clock Case	"The front view shows a round case * * *. The side view of the clock shows the front and rear of the case to be convex, so that the clock has the overall appearance of two bowls fitted together face to face" (R., p. 75, Fdg. 2).	"In the diameter of casing and face and in thickness of casing they closely approximate the plaintiff's commercial product" (R., p. 77, Fdg. 9).

Petitioner's Clock		*Respondent's Clock*
"The front view shows * * * the case being seated on a pedestal projecting above a flat rectangular base" (R., p. 75, Fdg. 2).	*The Clock Base*	"But the base of defendant's clocks differs * * * from plaintiff's clocks in that it wholly eliminates the pedestal surmounting a flat rectangular base but nests directly upon a base which in side view is practically S-shaped" (R., p. 77, Fdg. 9).
"The plaintiff's commercial product * * * has all been dressed (a) either in cream colored paint with shiny gold-colored embellishments or decorations or (b) in black colored paint with shiny silver-colored embellishments or decorations. These decorations, in both instances, comprise the circumferential band and the bezel * * * and the face of the pedestal" (R., p. 76, Fdg. 6), and "are the most distinctive decorative features of plaintiff's commercial product" (R., p. 78, Fdg. 11).	*The Clock Dress*	"The defendant's clocks are dressed in two separate color schemes: (a) gray painted casing (front and rear) with a red track carrying the numerals around the outer circumference of the face with a red painted base and (b) a blue front casing and blue track on the face with a shiny nickel-colored back-casing and base * * *. On defendant's clocks the bezel and circumferential band, instead of being surfaced in shiny metal, like plaintiff's clocks, are painted with the monotone (gray or blue) of the casing" (R., p. 77, Fdg. 9).
"All of plaintiff's clocks of this design conspicuously displayed plaintiff's old and well known trade-marks and trade names 'Big Ben' and 'Westclox' on the face of the dial * * *" (R., p. 76, Fdg. 6).	*The Clock Marking*	"Defendant's clocks carry its trade name 'Waterbury' on the face and defendant's monogram plainly stamped on the back of the case" (R., p. 77, Fdg. 9).

Argument

No reason suggested by this Court's Rule 38, paragraph 5(b) for allowance of a writ, has application here.

The decisions below are based primarily upon the facts. And the decision of the Court of Appeals has applied those facts in exact accord with the rules of law established by this Court.

In *Howe Scale Co.* v. *Wyckoff, Seamans &c.*, 198 U. S. 118, this Court said (p. 140):

> "The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if defendant so conducts its business as not to palm off its goods as those of complainant, the action fails."

To the same effect, in *Federal Trade Comm.* v. *Klesner*, 280 U. S. 19, this Court by Mr. Justice Brandeis, said (p. 27):

> "* * * in suits by private traders to enjoin unfair competition by 'passing off,' proof that the public is deceived is an essential element of the cause of action."

So also: *American Foundries* v. *Robertson*, 269 U. S. 372-380.

The record here not only fails to show "palming off" or deception of the public but affirmatively shows that they did not exist.

Thus, the District Court held that there was neither direct evidence nor warrant of an inference of deception or confusion; and that respondent "by its marks on the

product and package made it sufficiently clear to the purchasing public that its product was its own" (R., pp. 80-81).

To the same effect, the Court of Appeals held:

> "Here there is no evidence that defendant has attempted to 'palm off' its product as that of the plaintiff. Indeed, plaintiff does not even contend such was the case" (R., p. 116).

Petitioner, however, relies upon the doctrine of "secondary meaning" and attempts to stretch it so that petitioner may monopolize an old design, the patent on which the courts below held invalid (R., p. 79, Fdgs. 12, 13; pp. 115-116). But this record does not include certain elements essential to bring the doctrine into play, let alone extend it as petitioner would. It does show the sale of about 3,500,000 clocks of the type in issue and it shows petitioner's advertising expenditure of about $1,500,000 (R., p. 76, Fdgs. 5, 7), but, as the Court of Appeals held, this is not enough (R., pp. 116-117).

Epitomized, the doctrine of "secondary meaning" makes a trade mark or symbol, not actionable as such, actionable under the law of unfair competition where the public has come to recognize it as indicating a particular source. It neither creates a new right nor does it have application where those elements requisite to a conventional action for unfair competition are absent. This is illustrated by the decision of this Court in *Elgin Nat'l Watch Co.* v. *Illinois Watch Co.*, 179 U. S. 665. There (p. 674), speaking of secondary meaning, it was said that

> "* * * the manufacturer of particular goods is entitled to the reputation they have acquired, and the public is entitled to the means of distinguishing between those, and other, goods; and protection is accorded against unfair dealing, whether there be a technical

> trade mark or not. The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."

And that statement is still the law. *Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 335-336.

Certainly there is nothing here to show "the reputation they [petitioner's clocks] have acquired." There is even less to show "the essence of the wrong"—"the sale of the goods of [respondent] for those of [petitioner]." The holdings of both courts below are directly to the contrary.

These inadequacies of its case petitioner ignores. Instead, it reiterates its claim that its clocks are of a "distinctive appearance" (Pet., pp. 2-7). And on this sand-built foundation, it urges that respondent's clocks were of an appearance so similar "as to be *likely** to cause confusion in the trade" (Pet., pp. 8-9), or, to the same effect, that the Court of Appeals erred in holding that the similarity "did not of itself warrant an *inference* of confusion" (Pet., pp. 9-10).

Even these contentions are not supported by the record.

The District Court, in effect, found petitioner's clock design anything but "distinctive" (R., p. 79). So, too, did the Court of Appeals (R., pp. 115-117) which characterized it as petitioner's "variation of familiar designs" (R., p. 117).

It is, of course, recognized that deception does not always have to be proved, and that in many cases a "reasonable likelihood" is sufficient (cf., *Mishawaka Mfg. Co.* v. *Kresge Co.*, 316 U. S. 203). This, however, is not such a case, for the District Court has held that "the evidence does not warrant an *inference* of deception or confusion"

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* All emphasis ours.

(R., p. 80, Fdg. 16) and that respondent "by its marks on the product and package made it *sufficiently clear* to the purchasing public that its product was its own" (R., p. 81). The greater includes the lesser—and the positive findings make resort to an "inference" inapplicable.

Conclusion

The decision of the Circuit Court of Appeals accords with the facts and the law and the petition for writ of certiorari should be denied.

Respectfully submitted,

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